



## State of Utah

### Department of Natural Resources

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas & Mining

MARY ANN WRIGHT  
*Acting Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

March 11, 2005

CERTIFIED RETURN RECEIPT  
7099 3400 0016 8896 1300

Robert Steele  
1055 North 400 East  
Nephi, Utah 84648

Subject: Tentative Approval to Commence Large Mining Operations, HiCal #1  
Mine, M/023/071, Juab County, Utah

Dear Mr. Steele:

The Division is now prepared to grant tentative approval of the HiCal #1 large mining permit application. We have prepared the formal notice of tentative approval which will be published for public comment in the appropriate Salt Lake City and Juab County newspapers (copy attached). This will begin the required 30-day public comment period. If no substantive comments are received during the public comment period, the Division will then be prepared to issue its final approval for this project.

Anyone aggrieved by this tentative decision is advised to file a written protest with this Division setting forth factual reasons why this proposed operation should not be approved. Written objections of substance, received by the Division during the public comment period, will be heard at a formal adjudicative proceeding in accordance with UCA §40-8-13.

Prior to issuing final approval, we require that you provide us with:

1. two copies of the complete and corrected plan. When final approval is issued, one copy will be stamped "approved" and returned to you for your records; and
2. a Reclamation Contract (Form MR-RC enclosed) with accompanying reclamation surety must be completed and filed with this office. The new reclamation surety amount for this project is \$28,100.

Robert Steele  
Page 2 of 2  
M/023/071  
March 11, 2005

We are holding a \$20,000 Certificate of Deposit, which was accepted on October 13, 2004, to cover six acres of disturbance at the site. As you are aware, that \$20,000 was based on an average formula for mining related reclamation costs per acre and not on the actual information in the mine plan. Our mining engineer has completed review of your plan and using the information found therein, has determined the reclamation costs for eight acres calculates to \$28,100 (estimate attached). If you have any questions regarding this amount, or if additional information needs to be supplied to refine this amount, please call Doug Jensen at 538-5325.

**If the required surety and Reclamation Contract are not received prior to the end of the 30-day public comment period (or arrangements made as to when they will be submitted), the Division will withdraw our Tentative Approval.**

Please be advised that **you are not authorized to create any additional mining related surface disturbance until you have received written final approval from this division, as well as any other agency involved with the permitting process (in this case, the BLM).**

Thank you for your cooperation and patience in completing this permitting process. If you have any questions regarding this letter, please contact me at (801) 538-5291 or Tom Munson at 538-5325.

Sincerely,



Daron R. Haddock  
Permit Supervisor  
Minerals Regulatory Program

DRH :tm :jb  
Attachments : Public Notice, Reclamation cost estimate  
Enclosure : MR-RC  
cc : Rex Rowley, BLM, Fillmore FO (UTU-078294 w/attachments  
Doug Jensen, DOGM  
O:\M023-Juab\M0230071-HiCal\final\LMO-Tentative-apv-03112005.doc

RECLAMATION SURETY ESTIMATE				"DRAFT"	
Robert Steele		filename M023-071.xls		page "estimate D8"	
Hi Cal #1 Mine		Juab County			
DOGM file Number M/023/071					
Prepared by Utah State Division of Oil, Gas & Mining					
This surety estimate has been calculated using assumptions due to the fact that the plan as submitted does not include sufficient information.					
Cross-sections indicate that highwalls will be graded to an overall slope of 1 to 1, material from highwall to be spread over pit floor prior to placement of topsoil.					
Topsoil placement costs in this estimate calculated at a 6" overall depth.					
Note: actual unit costs may vary according to site conditions				last unit cost update 10/07/02	
-Amount of disturbed area which will receive reclamation treatments =				8 acres	
-Estimated total disturbed area for this mine =				8 acres	
Activity	Quantity	Units	\$/unit	\$	Note
Safety gates, signs, etc. (mtls & installation)	1	sum	0	0	(1)
Regrading pit slopes	11,300	CY	0.6	6780	(8)
Ripping waste dump tops	0	acre	246	0	(9)
Ripping stockpile & compacted areas	6	acre	246	1476	(9)
Ripping reclaimed areas prior to seeding - dozer	8	acre	246	1968	(9)
Topsoil replacement - 6"depth - dozer	6500	CY	0.58	3770	(12)
Topsoil replacement - scraper	0	CY	1.19	0	(13)
Topsoil replacement - truck & FE loader	0	CY	2.65	0	(14)
Composted manure (10 ton/acre)	8	acre	300	2400	(00)
Broadcast seeding	8	acre	240	1920	(00)
Drill seeding	0	acre	240	0	(00)
Hydroseeding	0	acre	800	0	(00)
General site cleanup & trash removal	2	acre	50	100	(00)
Equipment mobilization	1	equip	2000	2000	(00)
Reclamation supervision - 10% of total reclamation costs				2061	(15)
	Subtotal			22475	
10% Contingency				2248	
	Subtotal			24723	
Escalate for 5 years at 2.59% per year				3372	
	Total			28094	
Rounded surety amount in year 2010 \$				28100	
Average cost per disturber acre =		3512			

BEFORE THE DIVISION OF OIL, GAS AND MINING  
DEPARTMENT OF NATURAL RESOURCES  
STATE OF UTAH

---ooOoo---

IN THE MATTER OF TENTATIVE	:	
DECISION TO APPROVE A LARGE	:	NOTICE OF TENTATIVE
MINING AND RECLAMATION PLAN	:	DECISION TO APPROVE
FOR ROBERT STEELE'S	:	
HICAL #1 MINE, JUAB COUNTY, UTAH	:	NO. M/023/071

---ooOoo---

THE STATE OF UTAH TO ALL OPERATORS, TAKERS OF PRODUCTION,  
MINERAL AND ROYALTY OWNERS, AND PARTICULARLY ALL PERSONS  
INTERESTED IN SECTION 24, TOWNSHIP 13 SOUTH, RANGE 2 WEST, SLBM, JUAB  
COUNTY, UTAH.

Notice is hereby given by the Division of Oil, Gas and Mining of its tentative decision to approve the Large Mining Operations Notice of Intention for Robert Steele's HiCal #1 Mine. Mining activities will affect the following area: Northeast 1/4 of Section 24, Township 13 South, Range 2 West, SLBM, Juab County, Utah.

Robert Steele has submitted a permit application to expand an existing small mining project to a large mining operation. Reclamation surety will be provided to the Division for the proposed project disturbance. The operator will employ the following mining and reclamation techniques on approximately eight acres of federal land, managed by the Bureau of Land Management.

**During Operations:** The operation will consist of a drill, blast, and crushing operation. First, the topsoil will be removed and stockpiled, then the travertine will be drilled and blasted. Once blasted, it will be pushed into a stockpile for crushing. After crushing, it will be stockpiled onsite for trucks to load and remove over a period of time. The site will consist of an ore stockpile, pad area, pit, highwall, and topsoil piles. The disturbance is planned to be approximately eight (8) acres and be contemporaneously reclaimed as the pit advances to the south. All equipment on site will be portable and only during mining campaigns will crushers, belts, etc. be found on site. The pit highwall will not be anymore than 35 feet high. Approximately 40,000 tons of ore will be mined and hauled per year.

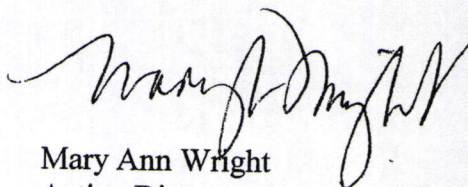
**After Operations:** Any remaining highwalls will be sloped to a 1:1, covered with excess clay and topsoiled using a trackhoe. The pit will be ripped on the contour with a bulldozer and covered with topsoil to a depth of 12 inches and planted in the fall of the year with a recommended seed mix.

The person representing the company is Mr. Robert Steele; Phone (435) 623-1877. Mr. Steele is fulfilling obligations under the Utah Mined Land Reclamation Act of 1975, Utah Code Ann. §40-8-18.

Any person or agency aggrieved by this tentative decision to issue approval is hereby requested to submit written protest within thirty (30) days of the date of publication to Mark Mesch, Acting Associate Director of Mining, Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, Box 145801, Salt Lake City, Utah 84114-5801, setting forth factual reasons for the complaint. If no responsive written protests are received by the Division within 30 days after the last date of publication, the tentative decision of the Division will be final.

DATED THIS 9<sup>th</sup> day of March, 2005.

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

A handwritten signature in dark ink, appearing to read 'Mary Ann Wright', is written over the printed name.

Mary Ann Wright  
Acting Director

## CERTIFICATE OF MAILING

I hereby certify that I caused a true and correct copy of the foregoing Notice of Tentative Decision to Approve the Large Mining Notice of Intention for Robert Steele's HiCal #1 Mine project, M/023/071 to be sent via facsimile, electronic mail, or mailed by first class mail, postage prepaid, the 11th day of March, 2005 to:

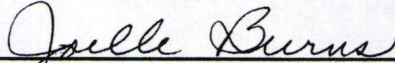
FACSIMILE: 237-2776 and  
E-MAIL: [naclegal@nacorp.com](mailto:naclegal@nacorp.com)  
Salt Lake Tribune  
Advertising Department  
116 Regent Street  
P.O. Box 45838  
Salt Lake City, Utah 84145

FACSIMILE: (435) 623-4735 and  
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96 South Main  
P.O. Box 77  
Nephi, Utah 84648-0077

CERTIFIED RETURN RECEIPT  
7099 3400 0016 8896 1300  
Robert Steele  
1055 North 400 East  
Nephi, Utah 84648

Glenn Greenhalgh  
Juab County  
Planning and Zoning  
160 North Main  
Nephi, Utah 84648

Rex Rowley  
Bureau of Land Management  
Fillmore Field Office  
35 East 500 North  
Fillmore, Utah 84631

  
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Joelle Burns, Secretary

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